

September 23, 2010

*By Boosting Lending and Reducing Tax Burden on American Small Businesses, Bill will Create Jobs and Spur Economic Growth*

**WASHINGTON, DC** - Today, U.S. Rep. Michael A. Arcuri (NY-24) voted to spur economic growth and create new jobs by encouraging the development of American small businesses.

*The Small Business Jobs Act (H.R. 5297)*

increases much-needed lending to millions of small businesses, and offers 8 new tax incentives to companies, so that they may expand, hire, and fuel our economy. It also keeps jobs in America by closing tax loopholes that reward corporations that ship jobs overseas.

"Small businesses are the foundation of our economy and are an integral part of creating jobs and rebuilding the economy for the future," **said Arcuri**. "We owe it to them to ensure that they have a business environment in this country that helps them grow and flourish. Increased access to capital and new tax cuts will not only keep jobs in America, it will allow small businesses to make it in America."

*The Small Business Jobs Act* will help America's 27 million small businesses create 500,000 new jobs and grow with \$12 billion in tax cuts, including:

- **Zero Taxes on Capital Gains from Key Small Business Investments:** Under the Recovery Act, 75 percent of capital gains on key small business investments were excluded from taxes. The Senate Small Business Jobs Bill temporarily puts in place for 2010 a provision called for by the President - elimination of  
*all*

capital gains taxes on these investments.

***Key investments in 1 million small businesses would be eligible for this tax cut.***

- **Extension and Expansion of Small Businesses' Ability to Immediately Expense Capital Investments:** The bill temporarily increases for 2010 and 2011 the amount of investments in new plants or equipment that **4.5 million small businesses** would be eligible to immediately write off to \$500,000 - its highest limit ever - while raising the level of investments at which the write-off phases out to \$2 million.

- **Extension of 50% Bonus Depreciation:** The bill extends through 2010 a Recovery Act provision for 50 percent "bonus depreciation" for **2 million businesses, large and small**, providing them with incentives to invest in plants and equipment by accelerating the rate at which they can deduct capital expenditures.

- **A New Deduction of Health Insurance Costs for Self-Employed:** The bill would allow **2 million self-employed** to deduct the cost of health insurance in 2010 for themselves and their family members in calculating their self-employment taxes. This provision is estimated to provide over \$1.9 billion in tax cuts for these entrepreneurs.

- **Tax Relief and Simplification for Cell Phone Deductions:** The bill would change tax rules so that the use of cell phones can be deducted without burdensome extra documentation - making it easier **for virtually every small business in America** to receive deductions that they are entitled to.

- **An Increase in the Deduction for Entrepreneurs' Start-Up Expenses:** The bill would temporarily increase in 2010 the amount of start-up expenditures entrepreneurs can deduct from their taxes from \$5,000 to \$10,000 (with a phase-out threshold of \$60,000 in expenditures), offering an immediate incentive for someone with a new business idea to invest in starting up a new small business.

- **A Five-Year Carryback Of General Business Credits:** The bill would allow certain small businesses to "carry back" their general business credits to offset five years of taxes - providing them with an instant tax break - while also allowing these credits to offset the Alternative Minimum Tax, reducing taxes for these small businesses.

- ***Limitations on Penalties for Errors in Tax Reporting That Disproportionately Affect Small Business:*** The bill would change the penalty for failing to report certain tax transactions from a fixed dollar amount - which was criticized for imposing a larger penalty on small businesses - to a percentage of the tax benefits from the transaction.

Additionally, it will make Main Street businesses more competitive with big corporations by leveraging up to \$300 billion in private sector lending for small businesses, along with state grants for small business lending. With tax cuts and access to more capital, our nation's small businesses will be able to put more Americans back to work. This legislation also takes another step to end job outsourcing by ending tax incentives for companies that ship jobs overseas. Finally, this bill is fully paid for and will not add a dime to the deficit.

Already this Congress, Arcuri has supported [eight separate small business tax cuts](#) that have been signed into law.

*The Small Business Jobs Act*, which passed in the Senate on September 16, 2010, will now be sent to the President to be signed into law.

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